

produced by that portion of the industry expressing support for or opposition to the petition. Thus, the requirements of section 732(c)(4)(A)(ii) of the Act also are met. Accordingly, the Department determines that the petition was filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

With regard to the definition of domestic like product, the petitioner does not offer a definition of domestic like product distinct from the scope of the investigation. On April 30, 2003, Circuit Breaker Industries, Ltd. ("CBI"), a South African producer of the subject merchandise, challenged industry support for the petition pursuant to sections 732(b)(3) and 732(c)(4)(D) of the Act. On May 1, 2003, the petitioner filed its reply to CBI's challenge.

Based on our analysis of the information presented by the petitioner, we have determined that there is a single domestic like product, hydraulic magnetic circuit breakers, which is defined in the "Scope of Investigation" section above, and we have analyzed industry support in terms of this domestic like product. For more information on our analysis and the data upon which we relied, see Import Administration Antidumping Investigation Initiation Checklist ("Initiation Checklist"), Industry Support section and Appendix 1, dated May 5, 2003, on file in the CRU of the main Department of Commerce building.

Period of Investigation

The anticipated period of investigation is April 1, 2002, through March 31, 2003.

Constructed Export Price and Normal Value

The following is a description of the allegation of sales at less than fair value upon which the Department based its decision to initiate this investigation. The sources of data for the deductions and adjustments relating to U.S. price and normal value are discussed in greater detail in the Initiation Checklist dated May 5, 2003. Should the need arise to use any of this information as facts available under section 776 of the Act, we may reexamine the information and revise the margin calculations, if appropriate.

Constructed Export Price

The petitioner identified CBI and its affiliate CBI, Inc. (hereinafter "CBI USA") as the primary producer and importer, respectively, of the subject merchandise. As the sole South African producer of HMCBs, CBI accounts for all

exports of HMCBs to the United States from South Africa. Therefore, the petitioner established U.S. price based on constructed exported price ("CEP"). According to the petitioner, CBI's sales in the United States are sold by CBI's subsidiary, CBI USA, which holds inventory in its U.S. warehouse prior to shipment to unaffiliated buyers. In order to obtain ex-factory prices, the petitioner deducted international transportation (by sea) and estimated profit and expense mark-up. Because the petitioner did not provide adequate support for its profit and expense figure, we recalculated the CEPs to not deduct this expense. With this exception, we reviewed the information provided regarding CEP and have determined that it is adequate and accurate and represents information reasonably available to the petitioner (see Initiation Checklist, Re: Less-Than-Fair-Value Allegation).

Because the petitioner provided price quotes for actual products and we determine that these price quotes are sufficient for initiation purposes, we did not use the ITC Dataweb values that petitioner provided to estimate dumping margins. To the extent necessary, we will consider the appropriateness of the petitioner's alternative during the course of this proceeding.

Normal Value

With respect to normal value, the petitioner provided home-market prices at which the foreign like product is offered for sale for consumption in the exporting country, adjusted as required by the statute. These home market prices were obtained directly from CBI, the sole South African producer of the subject merchandise.

In calculating its estimated margins, the petitioner compared prices for single pole B, C, D, and E frame HMCBs sold in the home market with similar products offered for sale in the United States by CBI USA. For purposes of initiation, however, we made an adjustment to the estimated margin calculated for D frame HMCBs. Specifically, the petitioner, in its April 14th petition, compared a home market price for D-frame HMCBs with an amperage rating between 61 and 100 amperes to a U.S. price for D frame HMCBs with an amperage rating between 10 and 50 amperes. Because the petitioner presented the Department with several different home market prices for D frame HMCBs, we have recalculated the estimated margin using the home-market price for D-frame HMCBs with a comparable amperage rating (i.e., between 5 and 60 amperes).

See Initiation Checklist, Re: Normal Value.

With this exception, we determined that the information the petitioner used for the calculation of home-market price is adequate and accurate and represents information reasonably available to it.

Fair-Value Comparison

Based on the data provided by the petitioner, there is reason to believe that imports of HMCBs from South Africa are being, or are likely to be, sold in the United States at less than fair value. As a result of the comparison of CEP to normal value, we recalculated estimated dumping margins for imports of HMCBs from South Africa that range from 129.43 percent to 721.95 percent.

Allegations and Evidence of Material Injury and Causation

The petition alleges that the U.S. industry producing the domestic like product is being materially injured and is threatened with material injury by reason of the imports of the subject merchandise sold at less than normal value. The petitioner contends that its injured condition is evidenced by declining trends in market share, pricing, production levels, profits, sales, and utilization of capacity. Furthermore, the petitioner contends that injury and threat of injury is evidenced by negative effects on its cash flow, ability to raise capital, and growth. These allegations are supported by relevant evidence including import data, lost sales, and pricing information. The Department assessed the allegations and supporting evidence regarding material injury and causation and determined that these allegations are supported by accurate and adequate evidence and meet the statutory requirements for initiation (see Initiation Checklist dated May 5, 2003, Re: Material Injury).

Initiation of Antidumping Investigation

Based upon our examination of the petition on HMCBs from South Africa and other information reasonably available to the Department, we find that the petition meets the requirements of section 732 of the Act. Therefore, we are initiating an antidumping duty investigation to determine whether imports of HMCBs from South Africa are being, or are likely to be, sold in the United States at less than fair value. Unless postponed, we will make our preliminary determination no later than 140 days after the date of this initiation.

Distribution of Copies of the Petition

In accordance with section 732(b)(3)(A) of the Act, a copy of the public version of the petition has been